INCOMING TELEGRAM — Department of State — ACTION COPY

25-21

CONFIDENTIAL

Control: 8487
Rec'd: February 23, 1954
12:36 p.m.

Action
ARA

Info
SS
G
SP
O
E
...
DCL-C

FROM: Guatemala City

TO: Secretary of State

NO: 345, February 23, 9 a.m.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 24 1954
file

Foreign Minister Toriello this morning handed me aide memoire stating Guatemalan Government had assigned study of Department's aide memoire of August 28, 1953 and February 5, 1954 re UFCO expropriations to various Guatemalan Government agencies and was confident it could prepare final reply shortly.

I took occasion to tell Minister I had received message from Washington about his proposal to refer problems of American companies to neutral commission and outlined considerations in DEPTEL 387 February 2. I suggested he reduce his proposals to writing but added first things ought to be settled first, commission problem was first problem, and I hoped to discuss it with him.

Toriello said he is leaving for Caracas on February 24 and would go further into question of appointment of neutral commission on his return. He asserted there was bias against Guatemala due to presence of Secretary Dulles and Mr. Cabot in Department and it was obvious that Department was not aware of contents of his talk with President Eisenhower and that President was getting only "one side of story". He inquired about composition of US delegation to Caracas and hoped Under Secretary Smith would be there so that he could have frank discussion with him. He also expressed hope nothing would happen at Caracas which would make situation worse.

I strongly rejected suggestion Secretary or Mr. Cabot had bias against Guatemala.

PEURIFOY

RSP&AB:BD/14

MAR 4 1954
Confidential File
FILED

This Document Must Be Returned To
DC/R
Central
Files
714.00/2-2354

PERMANENT RECORD COPY
• This copy must be returned to DC/R central files with notation of action taken •
CONFIDENTIAL
REPRODUCTION FROM THIS COPY, IF CLASSIFIED, IS PROHIBITED